



Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

MEMORANDUM

Smithers — Telephone: (604) 847-7383 Fax: (604) 847-7603

MONTHLY REPORT - AUGUST 1995

by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

Aug. 1996
Drilling Hemlo Linda
by Gold Erdman

HIGHLIGHTS

*Windy Craggy compensation and Royal Oak acquisition of Kemess Cu-Au porphyry and Red Mountain Au prospects announced on Aug 18. Royal Oak will establish B.C. divisional office in either Prince George or Smithers for exploration, development, construction and administration of the two projects. Jacques Houle of Royal Oak, who will head up that office visited Smithers, including the EMPR office, on Aug 25.

*Golden Bear update: Good drilling results from the Ursa zone but exploration on the Grizzly zone has been halted and the decline will be allowed to flood. From published data, I estimate 540,000 tonnes at 20 g/t Au (uncut) in the Ursa deposit. Continued exploration will focus on the 6 x 3 km carbonate that hosts Kodiak and Ursa, with particular emphasis on new targets along the 900 meter Kodiak fault, the ore controlling splay of the Ophir Break.

*Security/ preservation of Cheni property maps and data at the idle mine site is a concern (see Cheni below).

*Eskay mine operating at much higher gold cut-off grade than anticipated. Rock grading 20 g/t Au is going into Albino lake as ARD generating waste (see Eskay below).

FIELD ACTIVITIES

PREMIER

*I visited Premier Gold mine on Aug 4 for an update on mining and exploration from Rex Johnston (geologist) and Brian Miller (mine superintendant). Unfortunately Charlie Greig and Paul Lhotka were on break. Current production is 600 tons per day; 2/3 Glory Hole fill recovered via a decline from 515 bench in the open pit and grading 0.086 oz/t Au, 2 oz/t Ag and 1/3 ore supply from pillars etc on 4-level. About 6 employees were laid off in June reducing on-site personnel to 70. Targets being worked up include 5-level and West zone above 3-level that will be pursued with a \$465,000 mine exploration program. The critical operating problem at Premier is freezing up of Glory Hole muck in cold winter weather which nearly forced closure last winter.

TIDE

*Tide (104B 129) project was visited on Aug 5 with Rick Kemp of Hemlo Gold Mines. Tide is a minor program with promise of becoming a major project. The property is underlain by late Triassic to early Jurassic Unuk River Formation near the Summit Lake stock, a coeval hornblende diorite. Hemlo's regional geochem database shows Tide to be strongly anomalous; a 1 x 2 km area contains over 100 ppb Au in rocks and soils. Gold occurs where NE carbonate-sericite-pyrite shears, interpreted as splays of

the East Gold Fault, are mineralized with st. & arsenopyrite. Amblo will be following up on encouraging results.